



#34997

**TO: ALL CLEARING MEMBERS**

**DATE: JULY 22, 2014**

**SUBJECT: NOBLE CORPORATION - DISTRIBUTION**  
**OPTION SYMBOLS: NE/1NE/2NE**  
**NEW SYMBOLS: NE1/1NE1/2NE1**  
**FUTURES SYMBOLS: NE1C/NE1D**  
**NEW SYMBOLS: NE2C/NE2D**  
**DATE: 8/4/14**

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** August 4, 2014

**OPTION SYMBOLS:** NE changes to NE1  
1NE changes to 1NE1  
2NE changes to 2NE1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 30 yields \$3,000)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 Noble Corporation (NE) Ordinary Shares
- 2) 33 Paragon Offshore Limited (PGN) Ordinary Shares
- 3) Cash in lieu of approximately 0.333 fractional PGN Shares

**SETTLEMENT ALLOCATION:**

NE: 90%  
PGN: 10%

**CUSIPS:** NE: G65431101  
PGN: G6S01W108

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**PRICING**

Until the cash in lieu amount is determined, the underlying price for NE1/1NE1/2NE1 will be determined as follows:

$$NE1 = NE + 0.33333 \text{ (PGN)}$$

### **DELAYED SETTLEMENT**

The NE and PGN components of the NE1/1NE1/2NE1 deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NE1/1NE1/2NE1 deliverable until the cash in lieu of fractional PGN Shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

### **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE: August 4, 2014

FUTURES SYMBOLS: NE1C changes to NE2C  
NE1D changes to NE2D

SETTLEMENT PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Noble Corporation (NE) Ordinary Shares
- 2) 33 Paragon Offshore Limited (PGN) Ordinary Shares
- 3) Cash in lieu of approximately 0.333 fractional PGN Shares

SETTLEMENT ALLOCATION:

NE: 90%  
PGN: 10%

CUSIPS: NE: G65431101  
PGN: G6S01W108

THE SETTLEMENT ALLOCATION IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

### **PRICING**

Until the cash in lieu amount is determined, the underlying price for the NE2C/NE2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$NE2C = NE + 0.33333 \text{ (PGN)}$$

Please note that the valuation would apply only to the NE2C/NE2D deliverables in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

### **DELAYED SETTLEMENT**

The NE and PGN components of the NE2C/NE2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NE2C/NE2D deliverable until the cash in lieu of fractional PGN Shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

Noble Corporation (NE) has announced a distribution of Paragon Offshore Limited (PGN) Ordinary Shares. The distribution ratio is approximately 0.33333 PGN shares for each NE share held. The record date is July 23, 2014; the mail date is August 1, 2014. The New York Stock Exchange (NYSE) has set August 4, 2014, as the ex-distribution date for this distribution.

Paragon Offshore Limited Ordinary Shares began trading on a when issued basis on July 21, 2014 on NYSE under the trading symbol PGN WI.

## **DISCLAIMER**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

Questions regarding this memo can be addressed to Member Services at (800) 544-6091. Within Canada call (800) 424-7320.

**CATEGORY:            CONTRACT ADJUSTMENT**